(b) and (c) No, Sir. Central Government only fixes the borrowing limit for the State Governments as required under the Article 293(3) of the Constitution. The States are free to source their borrowings from different institutions within the borrowing ceiling fixed by the Central Government. However, in the case of NSSF, as per the present stipulations, State are required to use 80% of the funds collected within the State of NSSF to meet their borrowing requirements.

(d) No, Sir. There is no proposal to this effect at present.

(e) No, Sir. The recommendation of TFC that only share of grant may be given to States, has been made in respect of transfers of Plan Assistance to States.

Provision for oil bond in the Budget

1134. SHRI RAJKUMAR DHOOT:
SHRI RAHUL BAJAJ:

Will the Minister of FINANCE be pleased to state:

(a) what is the cost to Government of an oil bond;

(b) whether it is a major subsidy; and

(c) if so, the reasons for not being making provision for in the budget subject to Fiscal Responsibility and Budget Management (FRBM) Act?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The cost of Government of a special security issued to Oil Marketing Companies (OMCs), also referred to as 'oil bond', consists of payment of interest at the coupon rate specified in the security, and principal payment to the holder of security on redemption.

(b) and (c) Oil bonds are issued to compensate for the under recoveries of OMCs on domestic sale of sensitive petroleum products as a measure to reduce the burden of mismatch between domestic retail prices and international oil prices, whereas the subsidy schemes in operation covering subsidy on PDS kerosene and domestic LPG are through the PDS kerosene and domestic LPG subsidy Scheme, 2002 and Freight Subsidy (For Far Flung Areas) Scheme, 2002 for which there is a Budget allocation of Rs. 2882 crore as per RE 2007-08.

It has been decided that Government's share of the burden of under recoveries would be met by issue of oil bonds. Such oil bonds are issued following normal budgetary procedure and reflected in the Annual Financial Statement (AFS) and the Demands for Grants presented to Parliament. The interest payable on oil bonds is provided for in the Budget allocations and redemption amount will be provided in the Budget in the year of redemption.

Denial of banking facilities to farmers

†1135. SHRI PYARELAL KHANDELWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that deaspite all efforts made by Government the common farmers have been deprived of banking facilities for the agricultural debt;

†Original notice of the question was received in Hindi.

(b) whether it is also a fact that a comprehensive policy has been formulated by Government with a view to give relief to the indebted farmers;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir. The details of targets set and achieved for the disbursement of loan to farmers by all banks during the years 2004-05 to 2007-08 have shown a continuous increase over year-on-year basis. The details are as follows:

(Rs. in crore)

Year	Target	Achievements
2004-05	1,04,500	1,25,306
2005-06	1,41,000	1,80,486
2006-07	1,75,000	2,29,400
2007-08	2,25,000	*1,62,701

*Provisional figures upto December, 2007

(b) to (d) In the Union Budget 2008-09, the Government has announced a debt waiver and debt relief scheme for farmers, which covers all agricultural loans disbursed by Scheduled Commercial Banks (SCBs), Regional Rural Banks (RRBs) and Cooperative Banks upto 31st March, 2007and overdue as on 31st December, 2007. The scheme stipulates complete waiver of all loans that were overdue on 31.12.2007 and which remained unpaid until 29.02.2008 for small and marginal farmers, while there is a One Time Settlement (OTS) scheme for other farmers during the same period. The OTS covers a rebate of 25% against payment of the balance amount of 75%.

Performance of Micro-Finance Institutions

1136. SHRI MAHENDRA MOHAN:
DR. (SHRIMATI) NAJMA A. HEPTULLA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government has introduced any system of social accountability and performance audit of micro finance institutions and other agencies engaged in micro-finance;

(b) if so, the details thereof;

(c) whether Government has data on important statistics on micro finance indicating State-wise, region-wise, district-wise and category-wise data on liabilities and assess, recovery performance, NPAs working capital etc. of micro finance institutions;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Micro Finance Institutions (MFIs) are presently not regulated in the